

## Message Text

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ACTION IO-14

INFO OCT-01 EUR-25 EA-11 ISO-00 AF-10 ARA-16 NEA-10 RSC-01

SCI-06 AEC-11 AECE-00 SPM-01 AGR-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 FEA-02 OMB-01

SWF-02 DRC-01 /259 W  
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R 090930Z APR 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC PRIORITY 290

INFO AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

USLO PEKING

USMISSION USUN PRIORITY

CINCPAC HONOLULU HI

USMISSION EC BRUSSELS

USMISSION NATO

C O N F I D E N T I A L SECTION 1 OF 2 HONG KONG 3952

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, CH, UN

SUBJECT: CHINA AND THE SPECIAL UN SESSION

SUMMARY: AT THE UN SPECIAL SESSION THE PRC WILL LIKELY TAKE  
A MAJOR ROLE IN PUSHING FOR STRONG RESOLUTIONS FAVORING THE  
THIRD WORLD ON NATIONALIZATION, PARTICIPATION IN INTERNATIONAL  
MONETARY DECISIONS, AND PRICING OF PRIMARY PRODUCTS. WHILE THUS  
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HOPING TO PROMOTE THEIR IDENTITY WITH THIRD WORLD INTERESTS

IN CONFLICT WITH THOSE OF THE INDUSTRIAL POWERS, THE CHINESE WILL ALSO PROBABLY BE CONCERNED TO KEEP THE SOVIETS SPOTLIGHTED AS A MAIN TARGET, TO PREVENT THE RICH-POOR DICHOTOMY THEME FROM GETTING OUT OF HAND, AND TO FORESTALL A SERIOUS SPLIT IN THE THIRD WORLD BETWEEN THE HAVE-OILS AND THE HAVE-NOT. END SUMMARY.

1. TENG HSIAO-PING'S APPOINTMENT AS HEAD OF THE PRC DELEGATION TO THE SPECIAL UN SESSION AND THE HIGH-LEVEL SEND-OFF HE RECEIVED IN PEKING INDICATE THE IMPORTANCE WHICH THE PRC IS ATTACHING TO THE EVENT. RECENTLY THERE HAVE BEEN OTHER SIGNS THAT THE PRC IS ATTEMPTING TO GIVE ADDED SUBSTANCE AND VIGOR TO ITS ROLE AS CHAMPION OF THIRD WORLD INTERESTS. THIS HAS BEEN EVIDENT IN THE RUSH OF AFRICAN AND ARAB LEADERS TO PEKING, NEW PRC ECONOMIC AID AGREEMENTS, INCREASING ATTENTION TO THE LIBERATION STRUGGLES IN SOUTHERN AFRICA AND SHARPENED RHETORIC IN CHINESE PRONOUNCEMENTS. IN PART CHINA'S HEIGHTENED ATTENTION TO THE THIRD WORLD MAY BE A REACTION TO THE DEFLATION OF PEKING'S HOPES FOR THE EMERGENCE OF A STRONGER AND MORE UNITED EUROPE. THE GREATER AFFINITY OF THIS THIRD WORLD DIPLOMATIC FOCUS WITH THE CURRENT IDEOLOGICAL CLIMATE INSIDE CHINA MAY ALSO BE A FACTOR.

2. ESSENTIALLY, HOWEVER, THE CHINESE APPEAR TO BE MOTIVATED BY WHAT THEY SEE AS AN OPPORTUNITY TO PROMOTE AND EXPLOIT A NEW POTENTIAL IN THE THIRD WORLD WHICH HAS RESULTED INDIRECTLY FROM THE ENERGY CRISIS. PEKING APPEARS TO BELIEVE THAT THE EXAMPLE OF THE OPEC COUNTRIES HAS PROVIDED OTHER RAW MATERIAL PRODUCERS A NEW SENSE OF THEIR POWER AND THE EFFICACY OF UNITED ACTION.

3. THE PRC REPRESENTATIVE AT THE RECENT ECAFE MEETING IN COLOMBO, HUANG MING-TAI, FORESHADOWED THE EXUBERANT THEMES WHICH ARE LIKELY TO CHARACTERIZE THE PRC PERFORMANCE AT THE UN SESSION. HUANG CHARGED THAT THE ROOT CAUSE OF THE POVERTY OF THE DEVELOPING COUNTRIES WAS EXPLOITATION AND PLUNDER BY "IMPERIALISM PARTICULARLY THE SUPERPOWERS." STRESSING THE INHERENT ECONOMIC POWER OF THE DEVELOPING NATIONS, HUANG PROCLAIMED THAT "IMPERIALISM" WAS DEPENDENT ON THE THIRD WORLD..."IT IS WE WHO ARE REALLY POWERFUL." THE CORRECT WAY FOR THE DEVELOPING COUNTRIES TO OVERCOME THEIR DIFFICULTIES, HE ASSERTED, WAS " TO UNITE AND TAKE CON-

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CERTED ACTION...WHY CAN'T WE DEVELOPING COUNTRIES GET ORGANIZED, STRENGTHEN OUR UNITY AND USE EVERY POSSIBLE MEANS TO HIT BACK AT IMPERIALISM?" ALONG THE SAME LINES, CHINESE MEDIA HAVE BEEN STEPPING UP THEIR DENUNCIATION OF THE U.S. AND THE USSR FOR "PLUNDERING" THE RESOURCES AND "STRANGLING" THE ECONOMIES OF THE DEVELOPING WORLD, AND HAVE BEEN STRESSING THE INHERENT STRENGTH OF THE THIRD WORLD AND "IMPERIALISM'S" RELIANCE ON IMPORTED RAW MATERIALS. MEANWHILE, NCNA HAS

FEATURED RESORTS OF NATIONALIZATIONS OF FOREIGN ENTERPRISES  
IN THE THIRD WORLD AND INSTANCES OF THIRD WORLD ECONOMIC CO-  
OPERATION.

4. THE PRC'S MAIN OBJECTIVES AT THE SPECIAL SESSION WILL THUS  
BE TO PROMOTE THIRD WORLD COHESION AND CHINA'S IMAGE AS  
CHAMPION OF THE DEVELOPING COUNTRIES. BROADLY SPEAKING, THE MAIN  
TACTIC WILL BE TO UNDERSOCORE THE CONFLICTS OF INTEREST BETWEEN  
"THE IMPERIALISTS, PARTICULARLY THE SUPERPOWERS" ON THE ONE HAND  
AND THE DEVELOPING COUNTRIES ON THE OTHER. VERY LIKELY THE CHINESE  
WILL PUSH FOR STRONG RESOLUTIONS CONFIRMING THE RIGHT OF NATION-  
ALIZATION OF FOREIGN-OWNED PROPERTIES, CONDEMNING THE  
MULTINATIONALS AND THE PRICING OF PRIMARY PRODUCTS, AND  
CALLING FOR PARTICIPATION OF DEVELOPING COUNTRIES IN FUTURE  
DECISIONS ON INTERNATIONAL MONETARY MATTERS. IN ADDITION WE SUSPECT  
THAT THE CHINESE WILL EXPLOIT THE OCCASION TO ENCOURAGE RAW  
MATERIAL PRODUCERS TO ORGANIZE MORE CLOSELY IN THE MANNER OF  
OPEC.

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INFO OCT-01 EUR-25 EA-11 ISO-00 AF-10 ARA-16 NEA-10 RSC-01

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CINCPAC FOR POLAD

5. ALTHOUGH THE U.S. IS LIKELY TO SUFFER THE HEAVIEST BLOWS IN THE GENERAL DEBATE ON THESE SUBJECTS, THE CHINESE WILL WANT TO KEEP THE SOVIETS SPOTLIGHTED AS A MAIN TARGET. TO ACCOMPLISH THIS TASK, PRC REPRESENTATIVES WILL VERY LIKELY EXPLOIT THE THEME OF A RICH-POOR WORLD DICHOTOMY. RECENT CHINESE PRONOUNCEMENTS HAVE BEEN TOUCHING ON THIS THEME. HOWEVER, WE BELIEVE PEKING DOES NOT AT THIS POINT WISH TO REVIVE ITS POLARIZATION POLICY OF THE MID-60'S WHICH TRIED TO  
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SET THE "COUNTRYSIDE" OF THE WORLD AGAINST THE "CITIES." WE SUSPECT THE CHINESE DELEGATION WILL TRY TO AVOID DRAGGING IN JAPANESE AND OTHER NON-SUPERPOWER "MONOPOLY-CAPITALISTS" AS SPECIFIC TARGETS AND THAT ITS PREFERRED TACTIC WILL BE TO DIVIDE THE INDUSTRIALIZED NATIONS RATHER THAN TO DRIVE THEM TOGETHER. IN PRIVATE DISCUSSIONS WITH THE THIRD WORLD DELEGATES THE CHINESE WILL PROBABLY POINT TO THE SUCCESS OF THE OIL PRODUCERS IN SPOILING EFFORTS TO PROMOTE A COMMON FRONT AMONG THE CAPITALIST CONSUMERS.

6. AT THE SAME TIME THE CHINESE FORESEE A MAJOR PROBLEM IN PREVENTING A SPLIT BETWEEN THE OIL-RICH COUNTRIES OF THE THIRD WORLD AND THOSE WITH NO SIMILAR RESOURCES WHOSE DEVELOPMENT PLANS HAVE BEEN BLOWN IN THE DUSTBINS BY THE EXTRAVAGANT PRICE OF OIL. THE PRC-OWNED HONG KONG TA KUNG PAO, FOR EXAMPLE, ON APRIL 9 WARNED THAT THE U.S. BY PROMOTING THE CONCEPT OF A "FOURTH WORLD" OF OIL-EXPORTING COUNTRIES WAS HOPING TO DIVIDE THE UNITY OF THE THIRD WORLD. THUS THE CHINESE WILL PROBABLY TRY TO STEER THE DEBATE AWAY FROM THE QUESTION OF OIL AND ONTO OTHER RAW MATERIALS. AT THE SAME TIME THE PRC DELEGATES WILL PROBABLY WORK BEHIND THE SCENES TO TRY TO MOLLIFY THE OIL-POOR THIRD WORLD BY PUSHING THE CASUE OF PRICE DIFFERENTIALS AND THE RETURN OF FUNDS THROUGH GENEROUS DEVELOPMENT ASSISTANCE.

7. CHINA'S POSITION IS COMPLICATED BY THE FACT THAT IT IS ALSO AN IMPORTER AS WELL AS AN EXPORTER OF RAW MATERIALS. IN THE FORMER CATEGORY ARE SUCH ITEMS AS RUBBER, NON-FERROUS METALS AND FIBERS. LAST YEAR CHINA WAS A NET IMPORTER OF RAW MATERIALS, BUT THE EXPECTED EXPANSION OF REVENUES FROM

PETROLEUM SALES WILL BRING THE IMPORT-EXPORT FIGURES MORE INTO  
LINE IN 1974. OVER THE LONG-TERM CHINA WILL PROBABLY BECOME A  
NET EXPORTER OF RAW MATERIALS. CHINA ALSO OBTAINS SOME OF ITS  
IMPORTED RAW MATERIALS ON THE BASIS OF SUCH SPECIAL ARRANGEMENTS  
AS THE RICE-FOR-RUBBER BARTER AGREEMENT WITH SRI LANKA.  
CONSEQUENTLY THE CHINESE PROBABLY DO NOT VIEW THE PROSPECT  
OF RISES IN THE PRICE OF RAW MATERIALS PRODUCED BY THE THIRD  
WORLD AS NECESSARILY DETRIMENTAL TO PRC INTERESTS.  
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